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Student Housing Cooperatives
Would a Housing Cooperative Benefit Students at Iowa State?

Introduction

Iowa State University draws many students to Ames. Students who come to Ames have the option to live on campus and contract through the university or off campus and contract through a private market landlord. What if students had another housing option in Ames where students had more control over the housing? A student housing cooperative would offer that solution by allowing students to take ownership, control and receive benefits. As Iowa State University grows, there is a need for housing in Ames. A housing cooperative model option for students would provide community, leadership opportunities and cost benefits to students.

Objective

To compare a student housing cooperative with alternative private market and university options and understand the benefits a student housing cooperative might generate for students at Iowa State University.

Methods

Analyzed Housing Markets in Ames

- Identified housing markets in Ames for university students
 - Private market (off campus)
 - University housing (on campus)

Analyzed Existing Student Housing Cooperatives

- Identified student cooperatives in the United States
- Compared and contrasted housing cooperative models to understand benefits and obligations of students.

Compared Housing Options

- Determined what student housing cooperative cities to use
- Established a cost of housing index
- Calculated a student housing price comparison for Ames

Student Housing Cooperatives

Cooperative Principles

- User Owned
 - Do not directly own the housing, but own a share in the cooperative
- User Controlled
 - Control of governance
 - Serve on the board of directors
 - Voting rights (elections and decision making)
 - Control of one’s living environment
- User Benefits
 - Reduced housing costs
 - Community

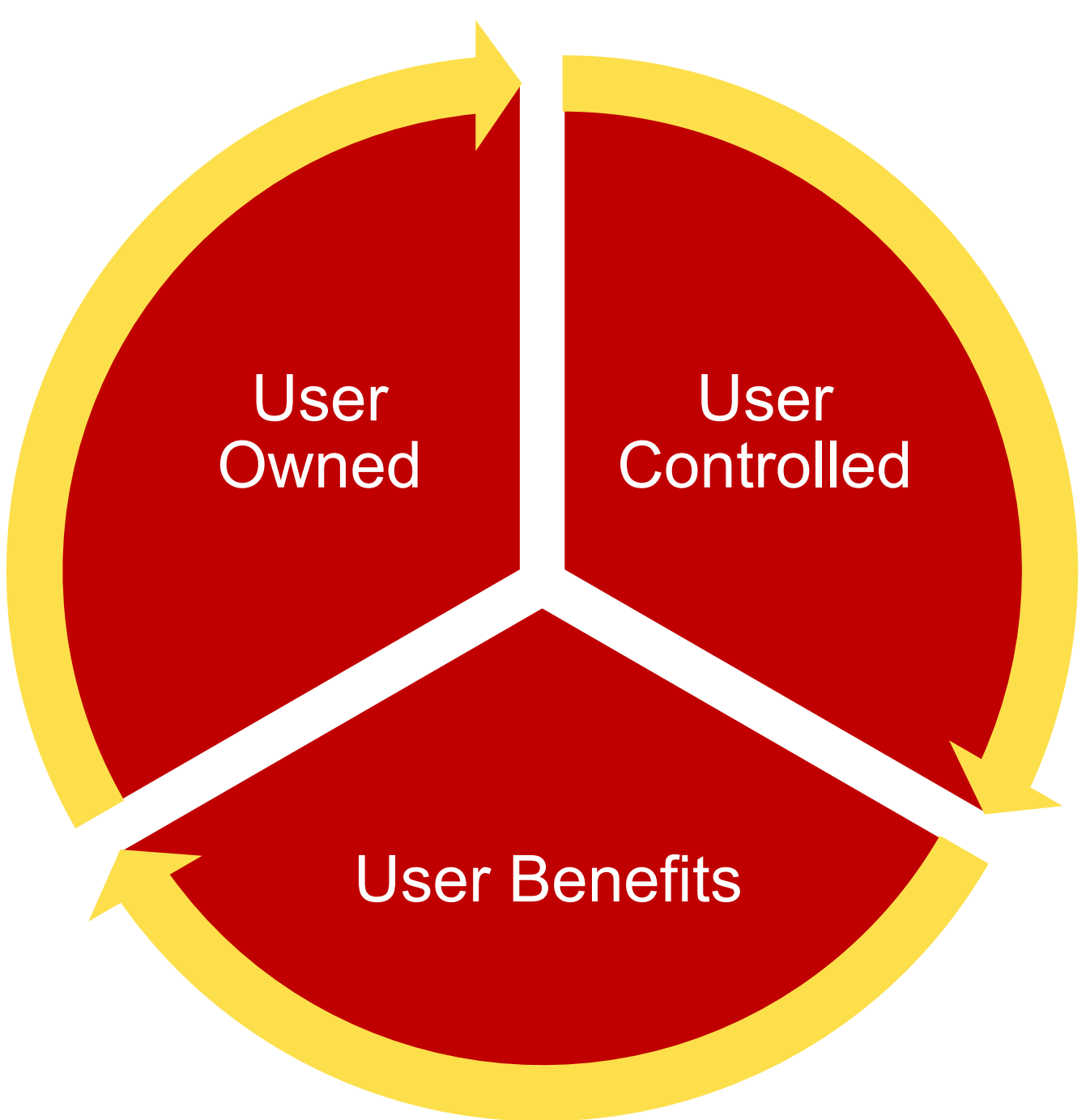


Figure 1: Cooperative Principles

Laws

- Cooperatives are incorporated under state law
 - Student housing cooperatives in Iowa follow Chapter 499A
 - Laws state how cooperatives operate, members responsibilities, voting rights, governance and sweat equity

Sweat Equity

- Sweat equity is contributing back to the cooperative
- It is shared responsibilities for the members
- Sweat equity could be required or optional
- It could be in the form of running the front desk, grocery shopping, cleaning, maintenance, or even gardening.

Cost Savings

- Non-profit nature of ownership reduces rental costs

Analysis and Conclusion

Three student house cooperatives located near universities in different parts of the United States were analyzed. The first cooperative analyzed was MSU Student Housing cooperative in East Lansing, MI near Michigan State University. The second student housing cooperative analyzed was Riverton Housing Community located near University of Minnesota in Minneapolis. The third cooperative analyzed was Berkeley Student Cooperative located near University of California, Berkeley.

Each student housing cooperative offers different housing opportunities for students. Berkeley Student Cooperative offers both an apartment and a room and board option. Riverton only offers apartments. MSU Student Housing Cooperative offers houses for students to live in.

To find a relative price option for a student cooperative in Ames, rent prices were collected from each of the student housing cooperatives. A cost of housing index number from each city was used calculate an estimated price range for a student housing cooperative in Ames based on each of the student housing cooperatives, represented in Figure 2.

When analyzing the student housing cooperatives, each housing cooperative offers different cost benefits and sweat equity requirements. At the Berkeley Student Cooperative, students are required to attend work shifts. At Riverton, students are not required to participate in cooperative activities. At MSU Student housing cooperative, students are required to maintain their house and participate in chores. By participating in work shifts and chores, students receive rent discounts.

In Ames, apartments start around \$500 and can reach up to \$1200. Figure 2 illustrates that a student housing cooperative could offer Iowa State students rent prices lower than \$500.

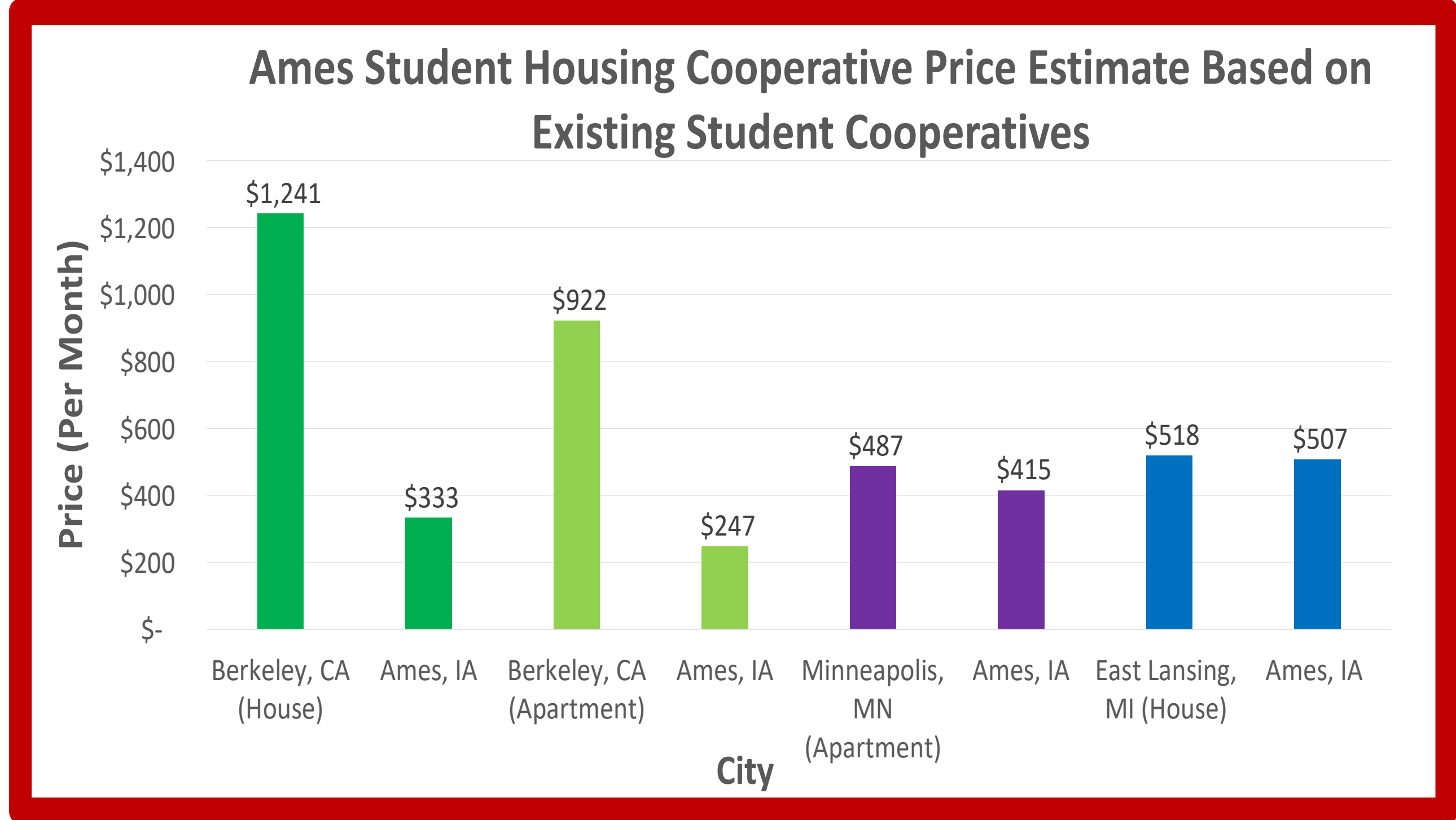


Figure 2: Student Housing Cooperatives Price Comparisons Per Per Bedroom

With a rising enrollment at Iowa State University, there is need for housing in Ames. A student housing cooperative in Ames would provide a competitive housing option for students. The housing cooperative would attract students due to the management of the facilities, governance, flexible amenity options and typically reduced housing costs.